

Landlord Insurance

Supplementary Product Disclosure Statement

This is a Supplementary Product Disclosure Statement (SPDS) issued by AAI Limited ABN 48 005 297 807 AFSL No. 230859 (AAI). This SPDS was prepared on 16 June 2021. This SPDS supplements the Apia Landlord Insurance Product Disclosure Statement prepared on 3/11/2020 (PDS) and must be read together with the PDS and any other SPDS we may give you for this PDS. Existing customers can choose to have this SPDS apply to their policy from the prepared date of this SPDS.

The purpose of this SPDS is to set out the limited cover we offer if the property is used for short-term rental or holiday letting (including arrangements booked through an online booking platform).

The insured event 'Theft or burglary by tenants or their guests' is specifically excluded if the property is used in this way.

We also exclude cover for the following additional covers:

- Loss of rent following an insured event;
- Loss of rent – tenant default;
- Legal costs to recover unpaid rent;
- Loss of rent – prevention of access; and
- Lock replacement (after theft of keys).

Other than this, the cover is unchanged.

It is a condition of your policy that you must tell us as soon as possible if you start to use or let all or part of the property to tenants or guests under any short-term rental or holiday letting arrangement including any arrangements booked through an online booking platform.

Changes to the PDS

1. On page 7 of the PDS, delete the section titled 'No cover unless the property is leased to permanent tenants' and replace with:

Limited cover for short-term rental or holiday letting

If the property is used for short-term rental or holiday letting (including arrangements booked through an online booking platform) – this policy does not provide cover for all insured events and provides **no** cover for loss of rent (or income). There is still cover for 'Legal liability' (see page 51).

If the property is used for short-term rental or holiday letting (including arrangements booked through an online booking platform) it is **not** rented under a 'rental agreement' (see page 107 for definition) for the purposes of this policy. Importantly, this means there is **no** cover under:

- 'Theft or burglary by tenants or their guests' (see page 45);
- 'Loss of rent following an insured event' (see page 54);
- 'Loss of rent - tenant default' (see page 60);
- 'Legal costs to recover unpaid rent' (see page 66);
- 'Loss of rent – prevention of access' (see page 67); and
- 'Lock replacement (after theft of keys)' (see page 68).

2. On page of 20 of the PDS, the content in the grey text box is deleted and replaced with:

There are some things that we do not cover as the property. These are set out below. There are also some uses of the property that we do not cover. If the property is used for a short-term rental or holiday letting arrangement (including arrangements booked through an online booking platform) this policy provides only limited cover. See section 3 'Things we don't cover' on pages 27 to 38.

3. On page 31 of the PDS, the exclusion 'Not a permanent residence/used for short-term rentals' is deleted.



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4. On page 36 of the PDS, the exclusion 'Short term and holiday renting' is deleted and replaced with:

Short term and holiday renting

- loss or damage to the property and contents, under insured event 'Theft or burglary by tenants or their guests' (see page 45), if the property is not being rented permanently under a rental agreement (see page 107 for definition). For example, the property is used for a short-term rental or holiday letting arrangement (including an arrangement booked through an online booking platform);
- loss of rent or income (including costs and expenses) under any additional cover of this policy, if the property is not being rented permanently under a rental agreement (see page 107 for definition). For example, the property is used for a short-term rental or holiday letting arrangement (including an arrangement booked through an online booking platform);
- legal costs to recover unpaid rent and lock replacement (after theft of keys), if the property is not being rented permanently under a rental agreement (see page 107 for definition). For example, the property is used for a short-term rental or holiday letting arrangement (including an arrangement booked through an online booking platform).

5. On page 37 of the PDS, in the exclusion 'Business activity' the words 'other than under a short-term rental, holiday letting or house sharing arrangement, including any arrangement that was booked through an online booking platform' are deleted.

6. On page 50 of the PDS, in the insured event 'Malicious acts or vandalism by tenants or their guests', the specific exclusion:

- loss or damage if you don't have a rental agreement in place;

is deleted and replaced with:

- loss or damage if you do not have a rental agreement in place, however this exclusion does not apply if the property is being used for a short-term rental or holiday letting arrangement (including an arrangement booked through an online booking platform) and the loss or damage is caused by malicious acts or vandalism by a tenant occupying or staying in the property in accordance with this arrangement (or their guests).

7. On page 108 of the PDS, the following additional sentence is added to the definition of 'Tenant':

If the property is used for a short-term rental or holiday letting arrangement (including an arrangement booked through an online booking platform), 'tenant' means the people who are occupying or staying in the property in accordance with that short-term rental or holiday letting arrangement.

Who we are

Insurance is issued by AAI. Australian Pensioners Insurance Agency Pty Limited ABN 14 009 650 996 is an authorised representative (No.239591) of AAI.

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